



Helping Businesses Grow & Succeed



COVID-19

Rafael E. M. Pratts

FSBDC at UCF



State Designated as Florida's Principal Provider of Business Assistance [§ 288.001, Fla. Stat.]



Business Disaster Recovery is a Team Sport.
The Florida SBDC Network works in conjunction with key partners to support recovery efforts across the state.



Small Business Disaster Recovery Team

Business, Industry and Economic Stabilization (ESF-18)



- **Primary Agency**

- Florida Department of Economic Opportunity

- **Supporting Agency**

- Florida Division of Emergency Management

- **Participating Primary State Agencies**

- CareerSource Florida
- Department of Agriculture and Consumer Services
- Department of Business and Professional Regulation
- Department of Financial Services
- Department of Management Services
- Department of Revenue
- Enterprise Florida
- **Florida SBDC**
- Visit Florida
- Volunteer Florida

- **Participating Primary Industry Organizations**

- Florida Restaurant & Lodging Association
- Florida Retail Federation

- **Participating Industry Support Organizations**

- Associated Industries of Florida
- Florida Chamber of Commerce
- The Florida Council of 100
- **Florida First Capital Finance Corporation**
- Florida Housing Finance Corporation
- Florida Regional Councils Association
- Florida Economic Development Council
- Florida Chapters of the Association of Contingency Planner
- Manufacturers Association of Florida
- National Federation of Independent Businesses



Where to Get Business Disaster Recovery Assistance?

**Florida's First
Responders For
Small Business**

FloridaSBDC.org/disaster



Business, Industry and Economic Stabilization (ESF-18)



- **SERT's Purpose**

- To support the private sector in preparing, responding, and recovering from disasters.

- **Florida SBDC's SERT Key Responsibilities**

- Assist the state in the assessment of business damages to support federal disaster declarations.

- Assist in the administration of the Florida Small Business Emergency Bridge Loan program.

- Lead the coordination and administration of federal and state business recovery resources.







Florida Small Business Emergency Bridge Loan Program

COVID-19

March 9, 2020

- Governor DeSantis Declares State of Emergency

March 13, 2020

- State opens Business Damage Assessment

March 16, 2020

- Governor DeSantis Activates the Florida Small Business Emergency Bridge Loan Program

March 17, 2020

- Governor DeSantis submits application for activation of federal small business assistance, i.e. U.S. SBA Economic Injury Disaster Loan program
- Expected to activated March 18th



FloridaSBDC.org/locations



Florida Small Business Emergency Bridge Loan Program

What is a Bridge Loan?

- **Short-term, interest-free** working capital intended to “**bridge the gap**” between the time a disaster hits and when a business has secured longer-term recovery assistance.
- **Provides a short-term loan** of State of Florida public funding – It is **not** a grant and must be repaid!
- **Administered by** the State of Florida Department of Economic Opportunity in partnership with and assisted by Florida SBDC Network and Florida First Capital Finance Corp.



State Emergency Bridge Loan Basics

- **Appropriation**
 - \$50,000,000
- **Amount (Max)**
 - \$50,000 per Business
 - Loans of up to \$100,000 may be made in special cases
- **Term**
 - 1 Year (365 days)
- **Interest**
 - Interest-free for the term of the loan (1 Year)
- **Limitation**
 - Only one loan may be made per Eligible Business
- **Application Deadline**
 - May 8, 2020 (60 days from Executive Order)



State Emergency Bridge Loan Basics

- **Applicant**
 - Loans made to individual(s) who own, individually or collectively, at least 51% of an Eligible Business.
- **Use of Proceeds**
 - Required to sign an agreement that proceeds of the loan will be used **only** for purposes of maintaining or restarting the business in the designated disaster area.
- **Collateral**
 - None – Unsecured Loan



State Emergency Bridge Loan Basics

- **Sources of Repayment:**

- Required to certify that the proceeds of any insurance claims or other loans applied for (e.g. federal disaster loan) shall be applied to repayment of the loan.

- **Repayment:**

- Loans must be repaid in full within 1 year or loan default.

- **Consequences of Default:**

- 12% per annum until the loan is repaid in full
- Referred to collection agency for collections
- Collection agency will charge fee (13% - 15%) on outstanding balance
- Report loan default to credit reporting agencies



Eligible Businesses

All must be true:

1. Must be a for-profit, privately held small business that maintains a physical place of business in Florida.
2. Must have or had a minimum of two (2), but no more than one hundred (100), employees within the previous year of the declared disaster date (March 16, 2020).
For purposes of this program, employee is defined to include “1099 employees” (independent contractors).
3. Must have repaid, in full, any previous Florida Small Business Emergency Bridge Loan.
4. Must demonstrate that the business has suffered or is suffering significant economic injury and unable to meet its obligations to pay ordinary and necessary operating expenses as a result of COVID-19.





How we help!

www.FloridaSBDC.org/locations

- answer questions and expectations about the loan program
- pre-screen potential applicants for program eligibility
- provide assistance in completion of the application package
- organize and facilitate bridge loan committees
 - SBDC does NOT participate in the loan decision making process
- act as primary point of contact for applicant throughout process
- if approved, facilitate the closing and distribution of the loan
- provide ongoing, no-cost professional business continuity and strategic planning consulting throughout recovery



Loan Application & Details

 SMALL BUSINESS EMERGENCY BRIDGE LOAN APPLICATION Disaster Event: COVID-19 Application Deadline: May 8, 2020	
LOAN AMOUNT REQUESTED: \$50,000 maximum. Loans of up to \$100,000 may be made in special cases as warranted by the need of the business.	APPLICATION DATE:
<input type="checkbox"/> Economic Injury (Loss of Sales or Revenues) <small>Attach written justification of economic loss or injury caused as a result of or period declared disaster, e.g. sales or income compared to previous year compared to current period.</small>	
EXPECTED SOURCE OF REPAYMENT: <input type="checkbox"/> SBA Disaster Loan(s) <input type="checkbox"/> Other Federal Aid <input type="checkbox"/> Insurance Proceeds <input type="checkbox"/> Bank or Other Loan	
<p>ONLY ELIGIBLE AND COMPLETED APPLICATIONS WITH REQUIRED SUPPORTING DOCUMENTATION WILL BE ACCEPTED. PLEASE READ ENTIRE FORM BEFORE SUBMITTING</p> <p>For assistance in completing the application, contact your local Florida Small Business Development Center (SBDC) office. To locate your local Florida SBDC visit www.FloridaSBDC.org/locations or contact us toll-free (866) 737-7232.</p> <p>To submit completed applications and required documents, send by mail or courier to:</p> <p>Florida SBDC Network Headquarters C/O Florida Emergency Bridge Loan Process 220 West Garden Street, Suite 301 Pensacola, Florida 32502</p> <p>OR</p> <p>Fax: (850) 696-2693</p> <p>Applicants may submit applications and required documents to Disaster@FloridaSBDC.org.</p>	

FloridaDisasterLoan.org







State (DEO) directs Florida SBDC to collaborate with SBA to coordinate federal business disaster assistance, including establishment of **Business Recovery Centers (BRCs)**.

COVID-19 (Coronavirus)

“Virtual”

Business Recovery

Centers





SBDC assist small
business to secure a
Florida Small Business
Emergency Bridge Loan
(short-term solution)



THEN



apply for an
SBA Business Disaster
Loan
(long-term solution)



U.S. SBA Disaster Loan Assistance



- *Serves to* aid, counsel, assist, and protect the interests of small businesses
- Plays a critical role in assisting victims of natural and other declared disasters
- SBA disaster loans are the primary Federal disaster assistance loan program for private sector, non-agricultural businesses impacted by disasters.



COVID-19

U.S. SBA Economic Injury Disaster Loan



One type of SBA business disaster loans for COVID-19:

- ~~– Business Physical Disaster Loans~~
- **Economic Injury Disaster Loans**

Physical Damage Disaster Loans: Provides up to \$2 million in funds to businesses and private non-profit organizations of any size in the declared disaster area that have sustained physical damage to their property. Funds can be used to repair or replace business property to pre-disaster conditions.

Economic Injury Disaster Loans: Provides up to \$2 million in working capital loans for small businesses and private non-profit organizations in the declared disaster area that suffer economic injury as a direct result of a disaster. Assistance is provided regardless of whether property was damaged.

COVID-19

U.S. SBA Economic Injury Disaster Loan

- **Direct loans** from the SBA
- **Applicants must:**
 - suffered and demonstrate “**substantial economic injury**” directly attributed to event
 - unable to meet its obligations and to pay ordinary and necessary operating expenses. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster.
 - not have credit available elsewhere
 - good credit history acceptable to SBA
 - demonstrate ability to repay all loans
 - pledge collateral where it is available
- **Loan amount** up to \$2 M (higher for “large” employers)
- **Interest rate** of 3.75 percent
- **Loan terms** up to a maximum of 30 years
- **Installment payment** amount and corresponding maturity—based on borrower’s ability to repay



SBA Loans | FAQs

Q: What are the typical issues resulting in a decline?

A: The most common reason for decline is **lack of repayment ability** (i.e. business does not have sufficient cash flow to support current and/or additional debt). Unsatisfactory credit history could also be a factor.

Q: If an applicant is declined for a disaster loan, do they have the opportunity to appeal?

A: Yes, applicants have **up to 6 months** from date of the **decline letter** to seek reconsideration of SBA's initial decline decision. There is also an opportunity to appeal the second decline decision.



SBA Loans | FAQs

Q: Are borrowers required to pay interest on the entire approved SBA disaster loan amount or just the portion that has been disbursed?

A: SBA disaster loans are **simple interest loans**. Interest is calculated on the outstanding principal balance of the disbursed loan amount.







The Three Step Process:
Disaster Loans

<https://disasterloan.sba.gov>

About Disaster Loans

The U. S. Small Business Administration (SBA) provides low-interest, long-term disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters to repair or replace uninsured/underinsured disaster damaged property. SBA disaster loans offer an affordable way for individuals and businesses to recover from declared disasters.

STEP 1:
Apply for Loan

STEP 2:
Property Verified
and
Loan Processing
Decision Made

STEP 3:
Loan Closed and
Funds Disbursed

Seek assistance from local SBDC office

BEFORE
applying

A light blue silhouette of a city skyline with various buildings, palm trees, and a windmill, serving as a background for the text.

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Florida SBDC at UWF
(850) 474-2528 | sbdc@uwf.edu

Serving the following counties: Bay, Calhoun, Escambia, Gulf, Holmes, Jackson, Okaloosa, Santa Rosa, Walton, and Washington County

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Florida SBDC at FAMU
(850) 599-3407 | sbdcfamu@gmail.com

Serving the following counties: Franklin, Gadsden, Jefferson, Leon, Liberty, Madison, Taylor, and Wakulla County

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Florida SBDC at UNF
(904) 620-2476 | smallbiz@unf.edu

Serving the following counties: Alachua, Baker, Bradford, Citrus, Clay, Columbia, Dixie, Duval, Gilchrist, Hamilton, Lafayette, Levy, Marion, Nassau, Putnam, St. Johns, Suwannee, and Union County

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Florida SBDC at UCF
(407) 420-4850 | sbdc@ucf.edu

Serving the following counties: Brevard, Flagler, Lake, Orange, Osceola, Seminole, Sumter, and Volusia County

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Florida SBDC at USF
(813) 905-5800

Serving the following counties: DeSoto, Hardee, Hernando, Highlands, Hillsborough, Manatee, Pasco, Pinellas, Polk, and Sarasota County

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Florida SBDC at FGCU
(239) 745-3700

Serving the following counties: Charlotte, Collier, Glades, Hendry, and Lee County

7

Florida SBDC at IRSC
(772) 462-7296

Serving the following counties: Indian River, Martin, Okeechobee, and St. Lucie County

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Florida SBDC at FAU
(954) 762-5235

Serving the following counties: Palm Beach and Broward County

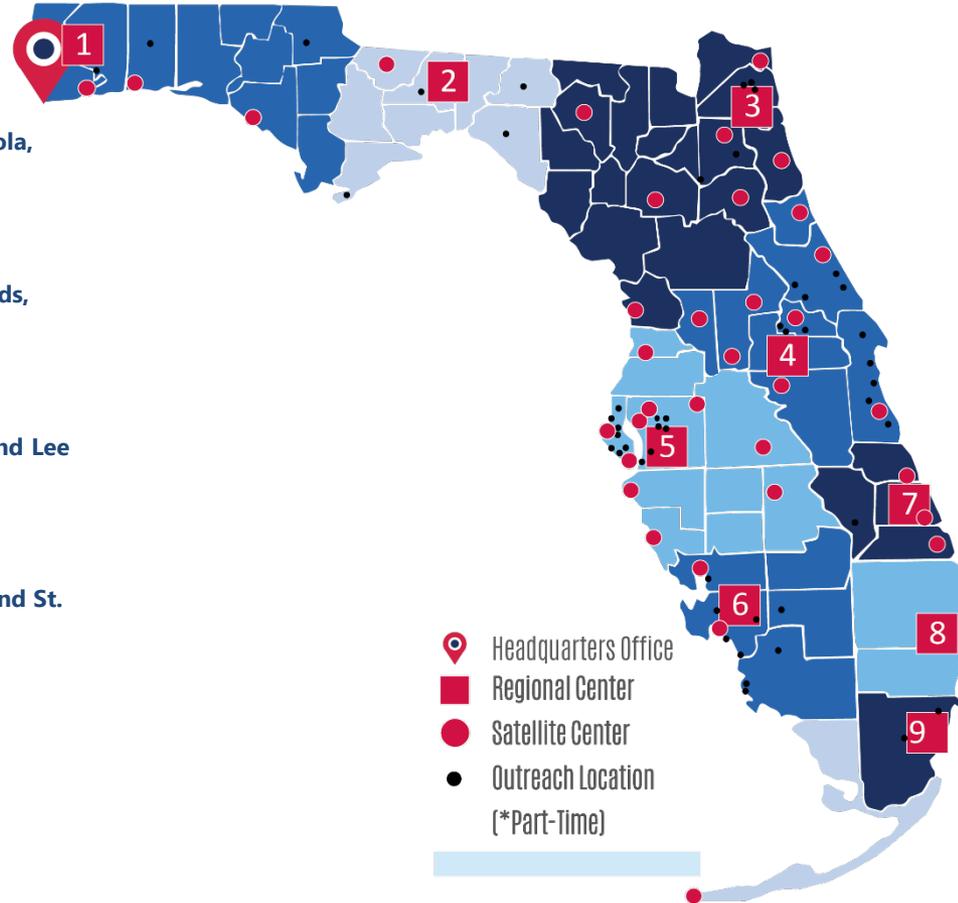
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Florida SBDC at FIU
(305) 779-9230

Serving the following counties: Miami-Dade and Monroe County



www.FloridaSBDC.org/locations





A statewide partnership program nationally accredited by the Association of America's SBDCs and funded in part by the U.S. Small Business Administration, Defense Logistics Agency, State of Florida, and other private and public partners, with the University of West Florida serving as the network's lead host institution. All opinions, conclusions, and/or recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the SBA or other funding partners. Florida SBDC services are extended to the public on a nondiscriminatory basis. Language assistance services are available for individuals with limited English proficiency.